

# SENATE NO. 1649

## **AN ACT** REFORMING STATE PENSIONS

*Be it enacted by the Senate and House of Representatives in General Court assembled,  
And by the authority of the same, as follows:*

1 SECTION 1. Section 1 of Chapter 32 of the General Laws, as appearing in the 2004 official edition, is  
2 hereby amended by inserting in the definition of “regular compensation” after the first paragraph the  
3 following new paragraph: -

4 “Regular compensation,” during any period subsequent to January 1, 2007, shall mean the full salary,  
5 wages or other compensation in whatever form, lawfully determined for the individual service of the  
6 employee by the employing authority, not including bonus, overtime, allowances for housing,  
7 transportation, travel, any and all employment related expense reimbursements, severance pay for any  
8 and all unused sick leave, or any other payments made as a result of giving notice of retirement, and  
9 any other such compensation in excess of salary or wages or as reasonably determined by the board.

10 Section 2. Section 1 of chapter 32 of the General Laws, as so appearing, is hereby amended by  
11 inserting following the definition of the words “Annuity savings fund” the following: - “Average  
12 annual rate of regular compensation”, shall be the average of the rate of regular compensation for any  
13 qualifying year of credible service received during each pay period during the qualifying year.

14 Section 3. Paragraph (b) of subdivision (1) of section 5 of chapter 32, of the General Laws, as so  
15 appearing, is hereby amended at the end thereof by adding following: - In the event that eighty per  
16 cent or greater of his regular compensation is in payment for duties in the group having the higher  
17 maximum age limit, such member shall not be considered to have achieved the maximum age for  
18 superannuation until he has attained the maximum age limit in the group having the higher maximum  
19 age limit, said member shall be limited to the performance of such later duties as prescribed in this  
20 paragraph.

21 Section 4. Subdivision (2) of section 5 of chapter 32, of the General Laws, as so appearing, is hereby  
22 amended at the end thereof by adding the following sentences: - Provided that in any given year, no  
23 retirement allowance, as provided for by this chapter, shall exceed four hundred per cent of the  
24 average retirement allowance in the Commonwealth. The board shall determine the average  
25 retirement allowance in the Commonwealth as of January 1 of each year.